

SEQUANA MEDICAL

Limited Liability Company

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VAT BE 0707.821.866 Register of Legal Entities Ghent, section Ghent

ADVICE OF THE AD HOC COMMITTEE OF INDEPENDENT DIRECTORS

1. INTRODUCTION

This advice has been prepared by an ad hoc committee (the "**Committee**") of three independent directors of Sequana Medical NV (the "**Company**") in accordance with Article 7:97 of the Belgian Companies and Associations Code of 23 March 2019 (as amended) (the "**Belgian Companies and Associations Code**" or "**BCAC**").

This advice has been prepared in accordance with Article 7:97, paragraph 2, 1° of the BCAC in the framework of the proposal of the board of directors of the Company to the extraordinary general shareholders' meeting of the Company (the "**EGM**") to increase the share capital of the Company with an aggregate amount of up to EUR 3,500,000.00 (including issue premium) (the "**Conversion Amount**"), in one or more transactions, by contributions in kind of outstanding receivables (whether as principal amount, interest (as the case may be, on a net basis) or otherwise) (the "**Convertible Receivables**"), that are or will be due by the Company to certain lending shareholders, being Partners in Equity V B.V., a limited liability company (*besloten vennootschap*) organized and existing under the laws of the Netherlands, registered with the Dutch Chamber of Commerce under number 81938810 and with registered office at Herengracht 573, 1017CD Amsterdam, the Netherlands ("**Partners in Equity**"), and Rosetta Capital VII, LP, a limited partnership organized and existing under the laws of the United Kingdom, registered with the competent trade register under number 3941653 and with registered office at Rosetta Capital Limited, Rectory House, Thame Road, Haddenham, Aylesbury, Buckinghamshire, HP17 8DA, United Kingdom ("**Rosetta Capital**" and together with Partners in Equity, the "**Lenders**") pursuant to the unsecured and subordinated convertible loan agreement entered into on 7 February 2024 between the Company and the Lenders in the principal amount of EUR 3,041,507.59 (the "**Convertible Loan Agreement**"), whereby the Lenders will receive newly issued shares as consideration of the aforementioned contribution in kind of Convertible Receivables (the "**Transaction**"), with the maximum number and issue price of the new shares to be determined in accordance with the provisions of the Convertible Loan Agreement.

The terms of the Convertible Loan Agreement provided that if, after the date of the Convertible Loan Agreement (*i.e.*, 7 February 2024), the Company would raise an amount of at least EUR 7,000,000.00 (in cash gross proceeds) through one (or more) so-called "Future Financing Round" (as defined in the Convertible Loan Agreement), all Convertible Receivables under the Convertible Loan Agreement would need to be converted on a mandatory basis into new shares of the Company (by a contribution in kind) at an issue price per share equal to the issue price of the shares (including issue premium) issued under such Future Financing Round, *minus* a 45% discount. As the Company raised an amount of EUR 11.5 million (in cash gross proceeds) in March 2024 through a private placement of 7,666,667 new shares (at an issue price of EUR 1.50 per share) through an accelerated bookbuilding procedure (and such share capital increase in cash qualifies as a "Future Financing Round"), the relevant Convertible Receivables under

the Convertible Loan Agreement need to be converted on a mandatory basis into new shares (by a contribution in kind) at an issue price of EUR 0.825 per share (*i.e.*, EUR 1.50 as aforementioned, *minus* a 45% discount). This mandatory conversion and contribution in kind will take place upon approval of the proposed Transaction by the EGM.

The Committee that prepared this advice consisted of the following independent directors of the Company: (i) Pierre Chauvineau, (ii) WIOT BV (with permanent representative Wim Ottevaere) and (iii) Jackie Fielding.

The Committee discussed the matters giving rise to this advice during its meeting of 19 April 2024

This advice should be read together with the opinion prepared in accordance with Article 7:97, paragraph 4 of the Belgian Companies and Associations Code by the statutory auditor of the Company, PwC Bedrijfsrevisoren BV, a limited liability company (*besloten vennootschap*) organised and existing under the laws of Belgium, with registered office at Culliganlaan 5, 1831 Diegem, Belgium, represented by Peter D'hondt BV, which in its turn is represented by Mr. Peter D'hondt, auditor.

Section 6 of this advice constitutes the conclusion for purposes of the third section of Article 7:97, paragraph 4/1 of the Belgian Companies and Associations Code.

2. ARTICLE 7:97 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

This advice has been prepared in accordance with Article 7:97 of the Belgian Companies and Associations Code.

Summarised, the relevant provisions of Article 7:97 BCAC provide the following:

- Paragraph 1 of Article 7:97 BCAC provides that for every decision or transaction in execution of a decision that falls within the competence of the board of directors of a listed company, and that relates to a related party within the meaning of the International Financial Reporting Standards as approved in accordance with Regulation (EC) 1606/2002 ("**IFRS**"), the board of directors must apply the procedure that is set out in paragraphs 3, 4 and 4/1 of Article 7:97 BCAC.
- Paragraph 2, 1° of Article 7:97 BCAC provides that, among other things, any decision by the board of directors of a listed company to submit to the general meeting for approval a proposal for contribution in kind by a party affiliated with that listed company is also subject to the procedure laid down in paragraphs 3, 4 and 4/1 of Article 7:97 BCAC.
- Paragraph 3 of Article 7:97 BCAC provides that all decisions or transactions referred to in paragraph 1 and 2 of Article 7:97 BCAC must be submitted in advance to an assessment by a committee of three independent directors that, if the committee deems this necessary, is assisted by one or more independent experts of its choice appointed by the committee and remunerated by the Company. The committee must issue a written and circumstantially motivated advice on the envisaged decision or transaction to the board of directors, in which it must discuss at least the following elements: the nature of the decision or transaction, a description and estimate of the patrimonial consequences, a description of possible other consequences, the advantages and disadvantages thereof for the company, as the case may be in the long term. The committee must frame the proposed decision or transaction within the strategy pursued

by the company, and indicate whether, if it entails a prejudice to the company, it is offset by other elements of that strategy, or whether it is manifestly unlawful.

- Paragraph 4 of Article 7:97 BCAC provides that, after having taken note of the advice of the committee, the board of directors must deliberate upon the envisaged decision (including the proposals to the general meeting as referred to in paragraph 2 of Article 7:97 BCAC) or transaction. If a director is involved in the decision or transaction, this director cannot participate in the deliberation or voting on the envisaged decision or transaction. The board of directors must confirm in the minutes of its meeting whether the aforementioned procedure has been followed, and the board of directors must motivate why it deviates, as the case may be, from the advice of the committee. The statutory auditor must assess whether or not there are material inconsistencies in the financial and accounting information that is included in the minutes of the board of directors and in the advice of the committee *vis-à-vis* the information at his disposal within the framework of its mandate. This assessment is attached to the minutes of the board of directors.
- Paragraph 4/1 of Article 7:97 BCAC provides that all decisions or transactions must be publicly announced, at the latest at the moment that the decision is taken or the transaction is entered into. The announcement contains at least: (a) information with respect to the nature of the relation with the related party, (b) the name of the related party, (c) the date and value of the envisaged transaction, and (d) all other information that is necessary to assess whether the envisaged transaction is reasonable and fair from the perspective of the company and its shareholders who are not a related party, including the minority shareholders. The announcement must be accompanied by the conclusion of the committee, the motivation, as the case may be, why the board of directors deviates from the advice of the committee, as well as the assessment of the statutory auditor.

Each of Partners in Equity and Rosetta Capital holds more than 5% of the shares in the Company and has a representative on the board of directors of the Company (in the person of, respectively, Ids van der Weij and Kenneth Macleod). Hence, Partners in Equity and Rosetta Capital could each be considered as a "related party" in accordance with IFRS (as defined above). In view hereof, the procedure of Article 7:97 BCAC could become applicable to the intended proposal of the board of directors to the EGM to contribute in kind the Convertible Receivables to the share capital of the Company (in accordance with paragraph 2, 1° of Article 7:97 BCAC).

The Committee has decided not to appoint a separate expert to assist it with the present advice.

3. PROPOSAL TO INCREASE THE SHARE CAPITAL BY MEANS OF A CONTRIBUTION IN KIND

3.1. Context of the transaction

On 7 February 2024, the Company and the Lenders entered into the unsecured and subordinated Convertible Loan Agreement for a principal amount of EUR 2,250,000.00 in relation to Partners in Equity and of EUR 791,507.59 in relation to Rosetta Capital, and (among other) an interest component of 15% per year (360 days period).

The Convertible Loan Agreement provided for the possibility (or in certain cases, the obligation) to convert the aforementioned loans and accrued interest into new shares of the Company (by a contribution in kind) under certain conditions.

More specifically, the Convertible Loan Agreement provided, as mentioned, that if, after the date of the Convertible Loan Agreement (i.e., 7 February 2024), the Company would raise an

amount of at least EUR 7,000,000.00 (in cash gross proceeds) through one (or more) so-called "Future Financing Round" (as defined in the Convertible Loan Agreement), all Convertible Receivables would need to be converted on a mandatory basis into new shares of the Company (by a contribution in kind) at an issue price per share equal to the issue price of the shares (including issue premium) issued in the framework of such Future Financing Round, *minus* a 45% discount. As the Company raised an amount of EUR 11.5 million (in cash gross proceeds) in March 2024 through a private placement of 7,666,667 new shares (at an issue price of EUR 1.50 per share) through an accelerated bookbuilding procedure (and such share capital increase in cash qualifies as a "Future Financing Round"), the relevant Convertible Receivables under the Convertible Loan Agreement need to be converted on a mandatory basis into new shares (by a contribution in kind) at an issue price of EUR 0.825 per share (i.e., EUR 1.50 as aforementioned, *minus* a 45% discount). This mandatory conversion and contribution in kind will take place upon approval of the proposed Transaction by the EGM.

For more information on the aforementioned Convertible Loan Agreement, the mandatory conversion and the related proposed share capital increase, see sections 3.2 and following below.

3.2. Proposed structure of the Transaction

The proposed Transaction will be structured as share capital increase, in one or more transactions, with an aggregate amount of up to the Conversion Amount (including issue premium) by contributions in kind of Convertible Receivables (regardless of their origin, whether as principal amount, interest (as the case may be, on a net basis) or otherwise, as provided for in the Convertible Loan Agreement) that are or will be created and which are or will be due by the Company as a result of the Company's draw down by the Company of the loans made available to the Company by the Lenders pursuant to the Convertible Loan Agreement, and the related issuance of new shares in consideration of such contributions in kind, the maximum number and issue price of the new shares to be determined pursuant to the terms of the Convertible Loan Agreement. The share capital increase is subject to the condition precedent of the realisation of the respective (mandatory) contributions in kind of the Convertible Receivables due (that are or will be due by the Company under the Convertible Loan Agreement on the contribution date) and the issuance of new shares in consideration of the contributions in kind in accordance with the provisions of the Convertible Loan Agreement and the terms set out below.

The principal terms of the Convertible Loan Agreement and the Transaction, if approved by the EGM, can be summarised as follows (for information purposes):

- (a) Aggregate principal amount: The loan facility was initially entered into for an aggregate principal amount of EUR 3,041,507.59.
- (b) Interest: The interest rate on the loan facility is equal to 15% per annum, which accrues as from 9 February 2024 for both Lenders. Interest shall accrue from day to day and be calculated per period on the basis of the actual number of days elapsed and a 360-day year. Any accrued interest shall automatically be compounded on the last day of each calendar month and is for further interest calculations assumed to be added to the aggregate principal amount. The Convertible Loan Agreement also provides that if, at the time of the contribution in kind of the receivables under the Convertible Loan Agreement, the aggregate amount of the compounded interest is below EUR 300,000.00, the aggregate minimum amount of accrued interest will be deemed to be equal to EUR 300,000.00.
- (c) Maturity date: The loan facility will end on 30 September 2024. All outstanding loans (including accrued interest) must be repaid on the aforementioned date.

- (d) Contribution in kind to the share capital of the Company: Any conversion of the Convertible Receivables will be effected by a contribution in kind to the share capital of the Company by the respective Lenders of the outstanding Convertible Receivables (regardless of their origin, whether as principal amount, interest (as the case may be, on a net basis) or otherwise as provided for in the Convertible Loan Agreement) which have been or will be created and which are or will be due by the Company as a result of the drawdown by the Company of the loans made available to the Company by the Lenders pursuant to the Convertible Loan Agreement, against the issuance of new ordinary shares of the Company.
- (e) Mandatory contribution in kind following the share capital increase of March 2024: As described in section 3.1, the Convertible Receivables need to be converted on a mandatory basis (by a contribution in kind) into new shares of the Company (at an issue price of EUR 0.825 per new share) as a result of the share capital increase completed in March 2024. This mandatory conversion and contribution in kind will take place after the approval of the proposed Transaction by the EGM.
- (f) New shares to be issued by the Company: The new shares to be issued by the Company upon conversion by contribution in kind by the Lenders of the outstanding Convertible Receivables due by the Company under the Convertible Loan Agreement will be ordinary shares, which will have the same rights and benefits as, and rank *pari passu* in all respects, including as to entitlement to dividends and other distributions, with the existing and outstanding shares of the Company issued prior to the conversion of the Convertible Receivables into shares. The shares will be freely tradable and will need to be admitted to trading on the regulated market of Euronext Brussels under the conditions set out in the Convertible Loan Agreement.
- (g) Mandatory early repayment in the event of change of control: Upon the occurrence of a change of control (as defined in the Convertible Loan Agreement), each Lender may, by written notice to the Company within thirty business days of the date on which the Lenders are notified of such change of control, declare its loan to be due and payable upon expiry of a thirty business days' notice period. Upon expiry of such notice period, the relevant loan shall become so payable, together with accrued interest thereon and any other sums then owed by the Company thereunder. This provision will be without object at the time of the contribution in kind of the Convertible Receivables. Indeed, as a result of the aforementioned contribution, the outstanding Convertible Receivables will be settled and will no longer be due by the Company.
- (h) Collateral: The Company's obligations under the Convertible Loan Agreement were not secured by personal or collateral securities.
- (i) Ranking of the obligations: The Company's obligations under the Convertible Loan Agreement are subordinate to the Company's existing financial indebtedness (as further described in the Convertible Loan Agreement).
- (j) Representations: The loan facility is subject to certain representations that are market standard for financings of this nature.
- (k) Events of default and mandatory prepayment events: The Convertible Loan Agreement includes customary events of default and mandatory or accelerated prepayment events that entitle the Lenders to demand immediate repayment of all outstanding loans, together with accrued interest thereon and any other sums then owed by the Company thereunder. In addition, the Lenders are entitled to demand immediate prepayment in case of among others misrepresentation, material non-compliance, certain cases of insolvency, and certain cases of seizure. These provisions will be without object at the

time of the contribution in kind of the Convertible Receivables. Indeed, as a result of the aforementioned contribution, the outstanding Convertible Receivables will be settled and will no longer be due by the Company.

- (l) Expenses: The Company and the Lenders have agreed to each pay their own costs and expenses in relation to the Convertible Loan Agreement and related agreements.
- (m) Convening of the EGM: The Company agreed to convene an extraordinary general shareholders' meeting (*i.e.*, the EGM) in order to, among other things, approve the issuance of new shares as contemplated by the Convertible Loan Agreement. At the same meeting, the aforementioned change of control provision will also be submitted to the shareholders of the Company for approval.

In light of the foregoing, it will be proposed to the EGM to conditionally increase the share capital of the Company with an aggregate amount of up to the Conversion Amount (being EUR 3,500,000.00) (including issue premium) with the issuance of new shares and, subject to the provisions of the Convertible Loan Agreement, to authorise each director of the Company and Fin-2K BV, represented by Kirsten Van Bockstaele (Chief Financial Officer) (the "**Proxy Holders**") each such person acting individually and with possibility of sub-delegation and the power of substitution) to grant the power and the ability to implement any share capital increase pursuant to the contribution in kind of any Convertible Receivable created and due under the Convertible Loan Agreement and any issuance of new shares in consideration of such contributions in kind, and in particular (but not limited to) the determination of the maximum number of new shares to be issued (according to the amount of interest accrued on the contribution date) and the practical implementation of the mandatory conversion of the Convertible Receivables in accordance with the provisions of the Convertible Loan Agreement.

The board of directors expects that on the contribution date, an aggregate amount of EUR 3,341,507.59 (including issue premium) of Convertible Receivables (consisting of an amount of EUR 3,041,507.59 in principal amount and an amount of EUR 300,000.00 in interest (see section 3.1(b) above)) will be contributed in kind to the share capital of the Company against an issue price of EUR 0.825 per share (*i.e.*, the issue price of the shares (including issue premium) issued in the framework of the share capital increase of 25 March 2024, minus a 45% discount), as a result of which a total of 4,050,312 new shares are to be issued in favour of the Lenders (and whereby any fractions of shares are rounded down (as agreed in the Convertible Loan Agreement)).

3.3. Proposed issue price of the new shares

The proposed issue price of the new shares to be issued in the framework of the contribution in kind of the Convertible Receivables due by the Company will be determined in accordance with the provisions of the Convertible Loan Agreement, as summarised in paragraph 3.2 of this advice.

As mentioned, as agreed between the Company and the Lenders in the Convertible Loan Agreement, the new shares will be issued at an issue price of EUR 0.825 per share, being the issue price of the shares issued (including issue premium) in the framework of the share capital increase of 25 March 2024 (*i.e.*, a "Future Financing Round" as provided for in the Convertible Loan Agreement), *minus* a 45% discount.

3.4. Proposed number of new shares to be issued

The proposed number of new shares to be issued in the framework of the share capital increase in consideration of the respective contributions in kind of the Convertible Receivables that are and will be due by the Company will be determined by the board of directors or the Proxy

Holders at the moment of realisation of the respective contributions in kind in accordance with the provisions of the Convertible Loan Agreement, as summarised in paragraph 3.2 of this advice.

The number of shares to be issued with the aforementioned contribution in kind of Convertible Receivables will be equal to the fraction of (x) the sum of all outstanding Convertible Receivables (*i.e.*, all principal amounts and all accrued and unpaid interest (as the case may be, on a net basis) due to the relevant Lenders on the contribution date (in particular, the date on which the EGM approves the proposed Transaction)), and (y) the applicable conversion price, which is equal to EUR 0.825 per new share, being the issue price of the shares (including issue premium) issued in the framework of the capital increase of 25 March 2024, *minus* a 45% discount.

The Company will not issue fractions of new shares in consideration of the contributions in kind in the framework of the Transaction, as the number of shares to be issued (as determined in the Convertible Loan Agreement) will, where applicable, be rounded down to the nearest whole number.

3.5. Allocation of the issue price

At the occasion of each capital increase by means of contributions in kind and the issuance of new shares in consideration of such contributions in kind, the issue price of each new share shall be accounted for as share capital. However, the amount by which the issue price of the new shares (on a per share basis) shall exceed the fractional value of the existing shares of the Company at that time (which currently amounts to (rounded) EUR 0.1036) shall be accounted for as issue premium. This issue premium will be booked on a separate account as net equity on the liabilities side of the Company's balance sheet and will be formed by actually paid contributions at the occasion of the issuance of new shares. These issue premiums can only be reduced in execution of a valid decision of the Company in accordance with the Belgian Companies and Associations Code.

3.6. Rights attached to the new shares

The new shares to be issued will be without nominal value, will be of the same nature as the existing and outstanding shares of the Company, and will have the same rights and benefits as, and rank *pari passu* in all respects, including as to entitlement to dividends and other distributions, with the existing and outstanding shares of the Company at the moment of their issuance, and will be entitled to dividends and other distributions in respect of which the relevant record date or due date falls on or after the date of issuance of the new shares.

3.7. Admission to trading of the new shares

All of the new shares to be issued in the framework of the Transaction will have to be admitted to listing and trading on the regulated market of Euronext Brussels. To this end, the Company will submit the necessary requests, and implement all measures as appropriate, for the admission to listing and trading in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended from time to time), to admit the new shares to listing and trading (as the case may be, in multiple tranches) on Euronext Brussels in accordance with the applicable rules and regulations.

3.8. Completion in multiple instalments

The share capital increase may be completed in one or more instalments by means of one or more notarial deeds, subject to the effective completion of the respective contributions in kind of the Convertible Receivables that are or will be due and the issuance of the shares in

consideration of these contributions. If the entirety of the share capital increase for up to the Conversion Amount (including issue premium) is not subscribed for by means of contributions in kind, the share capital may nevertheless be increased to the extent of each contribution in kind made in accordance with the Convertible Loan Agreement, to be determined as set out above, in accordance with Article 7:181 of the Belgian Companies and Associations Code. The board of directors of the Company or any Proxy Holders may also decide not to carry out the proposed share capital increase, without prejudice, however, to the provisions of the Convertible Loan Agreement (in particular the provisions regarding the mandatory conversion of the Convertible Receivables).

3.9. No preferential subscription right

As the share capital increase will be realised by a contribution in kind of the Convertible Receivables that are or will be due by the Company, the shareholders of the Company and holders of subscription rights of the Company, will not have a preferential subscription right in relation to such share capital increase.

3.10. Proposed contribution in kind

(a) Description of the contributions in kind

As proposed in section 1 and 3.2, the capital increase will be carried out on the contribution date (in particular, the date on which the EGM approves the proposed Transaction) by means of a contribution in kind of the Convertible Receivables of the Lenders against the Company. These Convertible Receivables are receivables arising in favour of the Lenders as a result of the Convertible Loan Agreement in an aggregate principal amount of EUR 3,041,507.59, to be increased by the interest that will have accrued up to and including the contribution date (in particular, the date on which the EGM approves the proposed Transaction).

(b) Consideration of the contributions in kind

As proposed above in section 3.2 and in accordance with the provisions of the Convertible Loan Agreement, the Company will issue a number of new shares of the Company at a predetermined issue price in consideration of the contributions in kind of the Convertible Receivables. Accordingly, the aggregate value of the new shares will correspond to the aggregate amount of the respective Convertible Receivables on the contribution date (taking into account rounding).

In particular, as provided for in the Convertible Loan Agreement, the new shares will be issued at an issue price of EUR 0.825 per share, being the issue price of the shares (including issue premium) issued in the framework of the capital increase of 25 March 2024, *minus* a 45% discount.

The Company will not issue fractions of new shares in consideration of the contributions in kind under the Transaction. The number of shares to be issued upon a contribution in kind of Convertible Receivables will be (where applicable) rounded down to the nearest whole number, as provided for in the Convertible Loan Agreement.

(c) Valuation of the contributions in kind

The Committee notes that the Convertible Receivables can be valued at 100% of their nominal value. This is based on the following considerations:

- (a) The loans (including accrued interests) must ultimately be repaid or settled by the Company, either by settlement in shares (by the issuance of new shares), or by cash settlement.

- (b) Following the contribution in kind of the Convertible Receivables, the Company's obligation to pay the Convertible Receivables will be settled following a so-called "confusion of debt" (*schuldvermenging*) in accordance with Article 1300 of the old Belgian Civil Code of 21 March 180, as amended (and Article 5.268 of the new Belgian Civil Code of 28 April 2022, as amended). In other words, as a result of the contribution in kind, the Company's indebtedness will be reduced by an amount equal to the nominal amount or nominal value of the so contributed Convertible Receivables, and the Company's net equity will be increased with the same amount.
- (c) The disappearance of the obligation to pay the Convertible Receivables will have as a result that other debts of the Company will not come in competition (*samenloop*) with the Convertible Receivables that are so contributed. Consequently, as a result of the contribution in kind, the position of the other creditors of the Company will be improved in an amount equal to the nominal amount or nominal value of the Convertible Receivables that are so contributed in kind.

4. JUSTIFICATION OF THE PROPOSED TRANSACTION

4.1. Justification of the Convertible Loan Agreement

Firstly, the Committee notes that, since each of the Lenders were shareholders of the Company who were also represented on the board of directors at the time of entering into the Convertible Loan Agreement, each of the Lenders could be considered a "related party" within the meaning of IFRS (as referred to in Article 7:97 of the Belgian Companies and Associations Code). In the light thereof, the Committee had already previously applied the procedure provided for in Article 7:97 of the Belgian Companies and Associations Code in connection with the approval of the entering into of the Convertible Loan Agreement. In this context, the Committee had issued an advice to the board of directors on 7 February 2024 in which the Committee has assessed the entering into of the Convertible Loan Agreement. In the Committee's advice of 7 February 2024 to the board of directors, the Committee concluded, inter alia, that (i) it believed that, under the then existing circumstances and considering the then immediate working capital needs of the Company as well as the then available financing options, the Convertible Loan Agreement, including the agreed provisions regarding the (mandatory) contribution in kind of Convertible Receivables, was in the interest of the Company, its shareholders and other stakeholders; (ii) while the Company becomes subject to increased debt (even when the relevant debt was and is unsecured and subordinate) through the Convertible Loan Agreement, while entailing greater interest costs for the Company compared to the then existing financial indebtedness of the Company (in particular because of the agreed mechanism described in section 3.2(b) above because of which the Lenders will receive a minimum of EUR 300,000.00 of interest), and while entailing additional and important potential dilution for the holders of shares and share options of the Company in case of conversion of the loans (in particular because of the agreed conversion price representing a high discount compared to the price of the Company's existing shares as they are currently traded at the date of this advice; see section 4.3 below), the terms of the Convertible Loan Agreement ultimately did not seem unreasonable and seemed commensurate to the risks (and opportunity costs) of investing in the Company taking into account the refinancing difficulties and liquidity risks of the Company at the time; and (iii) if the Company had not been able to raise further funding in order to address its short-term funding requirements, the Company's going concern could no longer be guaranteed. The Committee still agrees with these conclusions and considerations of 7 February 2024.

4.2. Justification of the contribution in kind

As mentioned in section 3.1, on 7 February 2024, the Company entered into the Convertible Loan Agreement with the Lenders following at arm's length negotiations. The Convertible Loan

Agreement provided for the possibility (or in certain cases, the obligation) to convert the aforementioned Convertible Receivables into new shares of the Company (by a contribution in kind) under certain conditions. As cited in section 3.1, the Convertible Receivables need to be converted on a mandatory basis into new shares of the Company (at an issue price of EUR 0.825 per new share) as a result of the capital increase completed in March 2024. This mandatory conversion and contribution in kind will take place upon approval of the proposed Transaction by the EGM.

In case of conversion, the Lenders will be required to contribute their claim for repayment of their loans (in principal amount, interest (as the case may be, on a net basis) or otherwise) in kind. By providing for such conversion mechanism pursuant to which the Lenders may or must contribute their Convertible Receivables to the Company in kind, the Company will be able to meet its obligation to settle the Convertible Receivables in the event of such contributions without having to use existing or new funds (in cash), which is in the interest of the Company.

Moreover, the proposed contribution in kind will reduce the Company's indebtedness by the amount to be contributed (equal to EUR 3,041,507.59 in principal amount, to be increased by the interest accrued on the contribution date) without having to draw on cash reserves. The Committee is therefore of the opinion that the contribution in kind of the Convertible Receivables is in the interest of the Company, its shareholders and other stakeholders.

The proposed contribution in kind of the Convertible Receivables and the resulting share capital increase will also further improve the Company's net equity position and strengthen the amount of the Company's share capital. This will benefit the Company, its shareholders and its creditors.

In view of the above, the Committee is of the opinion that both the contribution in kind of the Convertible Receivables and the resulting capital increase are in the best interests of the Company, its shareholders and other stakeholders.

4.3. Justification of the issue price

As mentioned in section 3.3, it is proposed, as agreed between the Company and the Lenders in the Convertible Loan Agreement, that the new shares will be issued at an issue price of EUR 0.825 per share, being the issue price of the shares issued (including issue premium) in the framework of the share capital increase of 25 March 2024 (i.e. a "Future Financing Round") (i.e., EUR 1.50) as provided for in the Convertible Loan Agreement), *minus* a 45% discount. For a justification of the issue price of the shares issued in the framework of the aforementioned capital increase of 25 March 2024, reference is made to the reports prepared on 18 March 2024 by the board of directors and the statutory auditor of the Company in accordance with Articles 7:179 and 7:191 of the Belgian Companies and Associations Code (as available on the Company's website).

The issue price of the new shares to be issued in the Transaction is the result of a negotiation between the Company and the Lenders and can be framed within a broader credit facility by the Lenders (which was in the interest of the Company). The negotiation process was conducted in an objective and independent manner between the Company's management and the Lenders.

The subscription price of EUR 0.825 also represents a discount compared to the price of the Company's existing shares as currently traded at the date of this advice.

The discount agreed with the relevant Lenders in the Convertible Loan Agreement (i.e., 45% compared to the issue price of the shares (including issue premium) issued in the framework of the share capital increase of 25 March 2024) reflects, among other things, a compensation for the limited liquidity of the Company's shares (notwithstanding the trading of the Company's

shares on the regulated market of Euronext Brussels), the fact that the Lenders were willing to provide a credit at the time when the going concern of the Company was at risk (and when there were few to no other financing options available (in the short term)), but also for the risks and opportunity costs of the Lenders to agree to the loan facility. In allowing the discount, the Committee at the time also took into account the risks and disadvantages that would have arisen if the Company had been unable to raise new funds through the Lenders' loans to support its activities and its going concern and that there were few to no other financing sources available (in the short term) at the time.

For the sake of completeness, the Committee notes that for macro-economic reasons, such as notably rising interest rates, the geopolitical situation in Eastern Europe and the Middle East and the general decline in investors' confidence, capital markets have been extremely volatile. The trading prices of many listed financial instruments suffered significant declines, and a number of previously available sources of financing, particularly for life science companies, are no longer available or only at less attractive terms.

Therefore, for all these reasons, the Committee believes that the method used to determine the issue price of the new shares can be adequately justified.

4.4. Assessment of the proposed Transaction in the light of the strategy of the Company

As indicated above, the Committee is of the opinion that the Transaction is in the interest of the Company, given that via the proposed contribution in kind, the Company (i) can meet its obligation to settle the Convertible Receivables without having to use existing or new funds (in cash), (ii) reduces its indebtedness, and (ii) improves its net equity position (as the amount of the share capital is strengthened). The foregoing is in line with the Company's strategy to continue its operations on a going-concern basis and use existing or new funds (in cash) as much as possible to finance working capital needs and, in particular, the further development of its products and clinical trials.

5. CERTAIN FINANCIAL AND OTHER CONSEQUENCES

The following paragraphs provide an overview of certain financial consequences of the proposed Transaction. These are only discussed for completeness' sake.

5.1. Introductory comments

The actual financial consequences resulting from the proposed Transaction cannot yet be determined with certainty, as certain financial parameters of the Transaction, such as the final amount of the accrued interest and, consequently, the total number of new shares to be issued in the Transaction, are not yet known as at the date of this advice.

In addition, the actual financial consequences resulting from the exercise of the outstanding Share Options, the settlement of the 2023-2024 RSUs and the issuance of new shares pursuant to the contribution in kind of the PMV/z Convertible Loan Receivable and the Kreos Loan Receivable (all as defined and further detailed below) cannot yet be determined with certainty.

Accordingly, the discussion herein of the financial consequences of the contemplated Transaction for existing shareholders is purely illustrative and hypothetical, and is based on purely indicative financial parameters (where relevant). The actual number of new shares to be issued in connection with the Transaction may vary from the hypothetical values used in this advice.

5.2. Capital structure of the Company

Subject to the foregoing, for the purposes of illustration of some of the financial consequences of the contemplated Transaction, and notably the dilution for the shareholders, the following parameters and assumptions were used:

- (a) At the date of this advice, the share capital of the Company amounts to EUR 3,720,562.60, represented by 35,909,420 shares without nominal value, each representing the same fraction of the share capital, *i.e.*, rounded EUR 0.1036. The share capital is entirely and unconditionally subscribed for and is fully paid-up.
- (b) In order to simulate the maximum dilution scenario in the context of a contribution in kind of the Convertible Receivables in the framework of the Transaction, it is assumed that the total Conversion Amount (*i.e.*, maximum EUR 3,500,000.00) is contributed in kind to the share capital of the Company against an issue price of EUR 0.825 per share (*i.e.*, the issue price of the shares (including issue premium) issued in the framework of the share capital increase of 25 March 2024, *minus* a 45% discount), resulting in a total of maximum 4,242,424 shares having to be issued in favour of the Lenders (and whereby any fractions of shares have been rounded down (as agreed in the Convertible Loan Agreement). It has also been assumed that the interest payments are not subject to any withholding tax, and that all interest is thus fully contributed in kind.
- (c) As the respective capital increase will be realised by contributions in kind of the Convertible Receivables due by the Company, none of the existing shareholders or holders of Share Options (as defined below) or other dilutive instruments will have any preferential subscription right in respect of the new shares to be issued by the Company in the framework of the Transaction.
- (d) At the date of this advice, 5,422,944 shares can still be issued by the Company, of which:
 - (i) up to 261,895 new shares can be issued upon the exercise of 90,780 share options that are still outstanding (at the date of this advice) under the "Executive Share Options" plan for staff members and consultants of the Company, entitling the holders thereof to acquire ca. 2.88 shares when exercising one of his or her share options (the "**Executive Share Options**");
 - (ii) up to 802,722 new shares can be issued upon the exercise of 802,722 share options (each share option having the form of a subscription right) that are still outstanding (at the date of this advice) under the "2018 Share Options" plan for directors, employees and other staff members of the Company and its subsidiaries, entitling the holders thereof to acquire one new share when exercising one of his or her share options (the "**2018 Share Options**");
 - (iii) up to 883,623 new shares can be issued upon the exercise of 883,623 share options (each share option having the form of a subscription right) that are still outstanding (at the date of this advice) under the "2021 Share Options" plan for directors, employees and other staff members of the Company and its subsidiaries, entitling the holder thereof to acquire one new share when exercising one of his or her share options (the "**2021 Share Options**");
 - (iv) up to 1,000,000 new shares can be issued upon the exercise of 1,000,000 share options (each share option having the form of a subscription right) that are still outstanding (at the date of this advice) under the "2023 Share Options" plan for directors, employees and other staff members of the Company and its

subsidiaries, entitling the holder thereof to acquire one new share when exercising one of his or her share options (the "**2023 Share Options**");

- (v) up to 302,804 new shares can be issued to Bootstrap Europe S.C.SP. upon the exercise of 10 warrants (each warrant having the form of a subscription right) that are still outstanding (at the date of this advice) that have been issued by the extraordinary shareholders meeting of 27 May 2022 (the "**Bootstrap Warrants**"). For the purpose of the full-dilution scenario calculations further below (in order to reflect the maximum dilution), it has been assumed that the Bootstrap Warrants are exercised through the "cash exercise" mechanism (and not through the "cashless exercise" or "net exercise" mechanisms) provided for in the relevant terms and conditions;
- (vi) up to 161,404 new shares can be issued to Kreos Capital VII Aggregator SCSp. upon the exercise of 875,000 warrants (each warrant having the form of a subscription right) that are still outstanding (at the date of this advice) that have been issued by the extraordinary shareholders meeting of 10 February 2023 (the "**Kreos Warrants**"). On 8 February 2024, the Company announced that the exercise price of the Kreos Warrants has been amended and will be equal to the lower of (i) the applicable conversion price of the Convertible Receivables, and (ii) the applicable issue price in any other future equity or equity linked investment in the Company completed prior to the exercise of the Kreos Warrants. For the purpose of the full-dilution scenario calculations further below (in order to reflect the maximum dilution), it has been assumed that the Kreos Warrants are exercised through the "cash exercise" mechanism (and not through the "net issuance exercise" mechanism) provided for in the relevant terms and conditions and that all of the outstanding Kreos Warrants have become exercisable and are exercised against the applicable conversion price of the Convertible Receivables (*i.e.*, EUR 0.825), as a result of which 1,060,606 new shares can be issued; and
- (vii) up to 1,111,294 new shares can be issued upon the exercise of 1,111,294 subscription rights that are still outstanding (at the date of this advice) that have been issued by the board of directors (within the framework of a private placement on 27 April 2023) (the "**2023 Investor Warrants**").

The Executive Share Options, the 2018 Share Options, the 2021 Share Options, the 2023 Share Options, the Bootstrap Warrants, the Kreos Warrants and the 2023 Investor Warrants are hereinafter jointly referred to as the "**Share Options**". When reference is made in this advice to any "outstanding" Share Options, this refers to, respectively, Share Options that have not yet been granted but can still be granted and (depending on the terms and conditions of such Share Options) have not yet expired, and Share Options that have already been granted and (depending on the terms and conditions of such Share Options) have not yet been exercised and have not yet expired. For the purpose of the full-dilution scenario calculations further below, it is assumed that all of the abovementioned existing (*i.e.*, outstanding and still to be granted) Share Options were granted, have vested, are immediately exercisable (regardless of their terms and conditions), and have been fully exercised prior to the completion of the Transaction.

Finally, the Committee notes that whether the Share Options will actually be exercised will ultimately depend on the decision of the respective holders of the relevant securities. In particular, the holder of such securities could realise a capital gain at the time of exercise or conversion if the Company's share price at that time is higher than the relevant exercise or conversion price, and if the underlying shares can be sold in the market at that price.

- (e) In February 2023, the extraordinary general meeting of the Company, upon the recommendation of the nomination and remuneration committee, decided to amend the Company's remuneration policy to allow non-executive independent directors ("**INEDs**") to receive remuneration in the form of shares of the Company in addition to their fixed remuneration in cash. Since the Company does not have distributable reserves (and therefore does not meet the legal requirements to conduct a share buy-back and subsequent allocation), the remuneration policy provides for the Company to grant so-called "restricted share units" (the "**RSUs**") to INEDs. In implementation of the abovementioned EGM resolution, the Company proposed in September 2023 to grant RSUs to the then current INEDs. Up to 93,456 new shares will have to be issued by the Company on or before 21 June 2024 against an issue price of EUR 0.11 per share in the framework of the settlement of 93,456 RSUs granted for reference 2023-2024 to some of the current INEDs (the "**2023-2024 RSU**"). Each RSU represents the contractual obligation of the relevant INED to subscribe for one new underlying share of the Company at a subscription price of EUR 0.11 per new share (regardless of the share's market price at that time) after the expiry of a specified time period.
- (f) In July 2020, the Company entered into a subordinated and partially convertible loan agreement with PMV Standaardleningen NV (formerly known as PMV/z Leningen NV) ("**PMV/z**"), which was amended in December 2021, March 2023 and February 2024, for an aggregate principal amount of up to EUR 4.3 million, of which a loan for a principal amount of EUR 0.8 million can still be converted by PMV/z for new ordinary shares of the Company in the event of a future equity financing or sale of the Company or its assets. The conversion can be carried out by means of a contribution in kind of the respective receivables due by the Company under the loan (whether as principal amount or as interest) (the "**PMV/z Convertible Loan Receivable**") to the share capital of the Company. The maturity date of the loan is 31 December 2025, and the loan is repayable in four equal quarterly instalments starting on 30 September 2025. The loan bears an interest of 7.5% per annum, except that the convertible portion of the loan bears an interest of 6.5% per annum. The price per share at which the PMV/z Convertible Loan Receivable can be converted by a contribution in kind in the event of an equity financing or sale of the Company will be equal to 75% of the price of the Company's shares as will be reflected in the relevant equity financing or sale. The proposed Transaction would qualify as a relevant equity financing that triggers the right, but not the obligation, for PMV/z to contribute its PMV/z Convertible Loan Receivable. In order to simulate full dilution, for the purpose of the scenario calculations, the following is assumed (on a hypothetical basis):
- (i) the PMV/z Convertible Loan Receivable is contributed in full to the share capital of the Company (taking into account, however, that PMV/z is not obliged to contribute its PMV/z Convertible Loan Receivable as a result of a future equity financing or sale and that the Transaction cannot be qualified as such event);
 - (ii) for the purpose of the interest calculation, the contribution in kind is effected on 23 May 2024; and
 - (iii) the PMV/z Convertible Loan Receivable will be contributed to the share capital of the Company against an issue price per share equal to 75% of the applicable loan conversion price of the Convertible Receivables (*i.e.*, 75% of EUR 0.825 per new share).

The foregoing would lead to the following amounts for the PMV/z Convertible Loan Receivable to be contributed in kind:

	Principal amount (in EUR)	Accrued interests (in EUR)⁽¹⁾	Amount to be contributed (in EUR)⁽²⁾	New shares to be issued upon contribution against issue price of EUR 0.620 ⁽³⁾
PMV/z	800,000.00	201,066.67	1,001,066.67	1,614,623

Notes:

- (1) Bears an interest of 6.5% per annum (360-day period) as from 31 July 2020 and until 23 May 2024.
- (2) Sum of the principal amount of the relevant PMV/z Convertible Loan Receivable and the accrued interests.
- (3) Assuming an issue price of EUR 0.620.

- (g) In February 2024, the Company agreed in a letter of intent that, subject to finalization of definitive agreements, 30% of the principal amount outstanding on 31 January 2024 under the EUR 10,000,000.00 loan agreement entered into between the Company and Kreos Capital VII (UK) Limited (the "**Kreos Loan**"), namely an amount of 30% of EUR 8,938,712.71 (i.e., rounded EUR 2,681,614.00), can be converted into new ordinary shares of the Company at the option of Kreos Capital VII (UK) Limited. Such conversion can be carried out by means of a contribution in kind of the respective receivables due by the Company under the loan (whether as principal amount, interest (as the case may be, on a net basis) or otherwise) (the "**Kreos Convertible Loan Receivable**") to the share capital of the Company. The price per share at which the Kreos Convertible Loan Receivable can be converted by a contribution in kind at the option of Kreos Capital VII (UK) Limited will be equal to the lower of (i) the applicable loan conversion price of the Convertible Receivables (as defined above), and (ii) the issue price in any other future equity or equity linked investment in the Company completed prior to the conversion of the Kreos Loan. For the purpose of the full-dilution scenario calculations further below, the following is assumed:

- (i) the Kreos Convertible Loan Receivable is contributed in full to the share capital of the Company (taking into account, however, that Kreos Capital VII (UK) Limited is not obliged to contribute its Kreos Convertible Loan Receivable); and
- (ii) in accordance with the relevant provisions set out in the loan, the Kreos Convertible Loan Receivable will be contributed to the share capital of the Company at an issue price per share equal to the applicable loan conversion price of the Convertible Receivables (i.e., EUR 0.825 per new share).

The foregoing would lead to the following amounts for the Kreos Convertible Loan Receivable to be contributed in kind:

	Principal amount (in EUR)	Amount to be contributed (in EUR)⁽¹⁾	New shares to be issued upon contribution against issue price of EUR 0.825⁽²⁾
Kreos	2,681,614.00	2,681,614.00	3,250,441

Notes:

- (1) Equal to the principal amount of the relevant Kreos Convertible Loan Receivable.

- (2) Assuming an issue price of EUR 0.825.

5.3. Evolution of the share capital, voting power, and participation in the results and other shareholder rights

Each share in the Company currently represents an equal part of the share capital of the Company and provides for one vote in function of the part of the capital it represents. The issuance of the new shares within the framework of the Transaction will lead to a dilution of the existing shareholders of the Company and of the relative voting power of each share in the Company.

The dilution relating to the voting right also applies, *mutatis mutandis*, to the participation of each share in the profit and liquidation proceeds and other rights attached to the shares of the Company, such as the statutory preferential subscription right in case of a capital increase in cash through the issuance of new shares or in case of an issuance of new subscription rights or convertible bonds.

Specifically, prior to the Transaction (and the issuance of new shares pursuant to the outstanding Share Options, the settlement of the 2023-2024 RSUs, and the issuance of new shares pursuant to the contribution in kind of the PMV/z Convertible Loan Receivable and the Kreos Convertible Loan Receivable), each share of the Company participates equally in the profit and liquidation proceeds of the Company and each shareholder has a statutory preferential subscription right in case of a capital increase in cash or in case of the issuance of new subscription rights or convertible bonds. Upon the issuance of the new shares within the framework of the Transaction, the new shares to be issued will have the same rights and benefits as, and rank *pari passu* in all respects with, the existing and outstanding shares of the Company issued prior to the conversion of the Convertible Receivables into shares, and will be entitled to dividends and other distributions in respect of which the relevant record date or due date falls on or after the date of issuance of the new shares. As a result, the participation by the existing shareholders in the profit and liquidation proceeds of the Company and their holders' statutory preferential subscription right in case of a share capital increase in the framework of the Transaction shall be diluted accordingly.

Without prejudice to the methodological reservations noted in section 5.1, the evolution of the share capital and the number of shares, with voting rights attached thereto, of the Company following the proposed Transaction is simulated below. The table below reflects the impact of the Transaction on the number of outstanding shares.

A similar dilution occurs upon the exercise of existing Share Options, the settlement of the 2023-2024 RSUs, and upon contribution in kind of the PMV/z Convertible Loan Receivable and the Kreos Convertible Loan Receivable.

Evolution of the number of outstanding shares

	<u>Transaction</u>
Before exercise of the outstanding Share Options, the settlement of the 2023-2024 RSUs, the contribution of the PMV/z Convertible Loan Receivable and the Kreos Convertible Loan Receivable and after the Transaction	
Outstanding shares.....	35,909,420
New shares to be issued in the Transaction	4,242,424

Total number of shares outstanding.....	40,151,844
Dilution.....	10.57%

After exercise of the outstanding Share Options, the settlement of the 2023-2024 RSUs, the contribution of the PMV/z Convertible Loan Receivable and the Kreos Convertible Loan Receivable, but before the Transaction ⁽¹⁾

Outstanding shares.....	35,909,420
New shares to be issued upon exercise of the Executive Share Options.....	261,895
New shares to be issued upon exercise of the 2018 Share Options.....	802,722
New shares to be issued upon exercise of the 2021 Share Options.....	883,623
New shares to be issued upon exercise of the 2023 Share Options.....	1,000,000
New shares to be issued upon exercise of the Bootstrap Warrants.....	302,804
New shares to be issued upon exercise of the Kreos Warrants.....	1,060,606
New shares to be issued upon exercise of the 2023 Investor Warrants.....	1,111,294
New shares to be issued upon settlement of the 2023-2024 RSUs.....	93,456
New shares to be issued upon contribution of the PMV/z Convertible Loan Receivable.....	1,614,623
New shares to be issued upon contribution of the Kreos Convertible Loan Receivable.....	3,250,441
Total number of shares after exercise of the existing Share Options, the settlement of the 2023-2024 RSUs, the contribution of the PMV/z Convertible Loan Receivable and Kreos Convertible Loan Receivable....	46,290,884
Dilution.....	22.43%

After exercise of outstanding Share Options, the settlement of the 2023-2024 RSUs, and after the contribution of the PMV/z Convertible Loan Receivable and the Kreos Convertible Loan Receivable and after the Transaction ⁽¹⁾

Outstanding shares.....	35,909,420
Total number of shares after exercise of the outstanding Share Options, the settlement of the 2023-2024 RSUs, the contribution of the PMV/z Convertible Loan Receivable and the Kreos Convertible Loan Receivable.....	46,290,884
New shares to be issued in the Transaction.....	4,242,424
Total number of shares outstanding, after exercise of outstanding Share Options, the settlement of the 2023-2024 RSUs, and after contribution of the PMV/z Convertible Loan Receivable and the Kreos Convertible Loan Receivable, and after the Transaction.....	50,533,308
Dilution.....	8.40%

Notes:

- (1) For the purposes of this simulation, it is assumed that all 4,763,429 existing Share Options (i.e., outstanding and still to be granted) have been granted, have vested unconditionally, are immediately exercisable (irrespective of their terms and conditions), and have been fully exercised prior to the completion of the Transaction. For the number of shares that can be issued upon exercise of the outstanding Share Options, see section 5.2.

The table below shows the evolution of the share capital in the framework of the Transaction.

	Transaction
Before the Transaction	
(A) Share capital (in EUR).....	3,720,562.60
(B) Outstanding shares.....	35,909,420
(C) Fractional value (in EUR) (rounded) .	0.1036
The Transaction	
(A) Increase of share capital (in EUR) ⁽²⁾ .	439,515.13
(B) Number of new shares to be issued ...	4,242,424
After the Transaction	
(A) Share capital (in EUR).....	4,160,077.73
(B) Outstanding shares.....	40,151,844
(C) Fractional value (in EUR) (rounded) .	0.1036

Notes:

- (1) This simulation does not take into account the exercise of the outstanding Share Options, nor settlement of the 2023-2024 RSUs or contribution in kind of the PMV/z Convertible Loan Receivable and the Kreos Convertible Loan Receivable.
- (2) A part of the issue price equal to the fractional value of the existing shares of the Company (being currently (rounded) EUR 0.1036 per share) will be booked as share capital. The part of the issue price that exceeds the fractional value shall be booked as issue premium.

5.4. Participation in the consolidated accounting net equity

The evolution of the consolidated accounting net equity of the Company as a result of the Transaction is simulated below. The simulation is based on the following elements:

- (a) The audited consolidated annual financial statements of the Company for the financial year ended 31 December 2023 (which have been prepared in accordance with IFRS). The consolidated accounting net equity of the Company as of 31 December 2023 amounted to EUR -19,465,174 (rounded) or EUR -0.69 (rounded) per share (based on the 28,242,753 outstanding shares as of 31 December 2023).
- (b) The simulation does not take into account changes in the consolidated accounting net equity since 31 December 2023, except that for purposes of the simulation, the impact of the private placement completed on 25 March 2024 on the consolidated net equity (per share) will be taken into account.

As a result of the aforementioned completion of the private placement on 25 March 2024 (without taking into account possible effects of accounting items other than share capital and share premium (e.g., the cost of said private placement)):

- (i) the share capital of the Company was increased, because of which the Company's net equity was increased with an amount of EUR 11,500,000.50, whereby an amount of EUR 794,266.70 was booked as share capital and an amount of EUR 10,705,733.80 was booked as issue premium.
- (ii) the number of outstanding shares of the Company after the private placement completed on 25 March 2024 amounted to 35,909,420 shares (as 7,666,667 new shares were issued).

As a result, for the purpose of the simulations below, it will be assumed that the adjusted consolidated accounting net equity as of 31 December 2023 amounts to EUR - 7,965,173.50.

For further information on the status of the Company's net equity as of 31 December 2023, please refer to the Company's financial information available on the Company's website.

Based on the aforementioned assumptions, the Company's consolidated accounting net equity as a result of the Transaction, without taking into account any effects related to the exercise of the outstanding Share Options, the settlement of the 2023-2024 RSUs, or the contribution in kind of PMV/z Convertible Loan Receivable and the Kreos Convertible Loan Receivable, would be increased as indicated below:

Evolution of the consolidated accounting net equity

	Transaction
Consolidated net equity for FY 2023 (adjusted)	
Net equity (in EUR) (rounded).....	-7,965,173.50
Outstanding shares.....	35,909,420
Net equity per share (in EUR) (rounded)	-0.22
 <u>Transaction</u>	
Increase of net equity (in EUR) ⁽¹⁾	3,500,000.00
Number of new shares to be issued	4,242,424
 <u>After Transaction</u>	
Net equity (in EUR) (rounded).....	-4,465,173.50
Outstanding shares.....	40,151,844
Net equity per share (in EUR) (rounded) ⁽²⁾	-0.11

Notes:

- (1) Consisting of the maximum amount of the share capital increase and the amount of the increase in the share premium, as the case may be, but without reflecting that this amount may be subject to further adjustments in the accounts under IFRS or IAS 34.
- (2) Without taking into account any changes in the consolidated net equity after 31 December 2023, other than as a result of the private placement completed on 25 March 2024, and other than the proposed Transaction, nor the possible issuance of new shares upon the exercise of outstanding Share Options, the

settlement of the 2023-2024 RSUs, or the contribution in kind of PMV/z Convertible Loan Receivable and the Kreos Convertible Loan Receivable.

The table above shows that, from a pure accounting perspective, the Transaction will result in an increase in the amount represented by each share in the Company's consolidated accounting net equity. In particular, the consolidated accounting net equity as of 31 December 2023 after the Transaction (adjusted to take into account the impact of the private placement completed on 25 March 2024), would amount to EUR -0.11 per share (rounded) (instead of EUR -0.22 per share (rounded)).

6. CONCLUSION

For all of the above reasons, the Committee reaches the following conclusion:

The Committee believes that (i) under the then existing circumstances and taking into account the then existing immediate working capital needs of the Company as well as the then available financing options, the provisions of the Convertible Loan Agreement, including the agreed provisions relating to the (mandatory) contribution in kind of Convertible Receivables, were in the interest of the Company, its shareholders and other stakeholders, given that without the Convertible Loan Agreement, the Company may not have been able to meet its short-term financing needs and the going concern of the Company could no longer be guaranteed; (ii) the proposed contribution in kind is in the interest of the Company, its shareholders and creditors, given that via the proposed contribution in kind the Company (x) can meet its obligation to settle the Convertible Receivables without having to use existing or new funds (in cash), which it can use to finance working capital needs and, in particular, the further development of its products and clinical trials, (y) reduce its indebtedness, and (z) improve its net equity position (as the amount of the share capital is strengthened); (iii) while an additional and significant potential dilution will be incurred by the holders of shares and share options of the Company as a result of the Transaction (in particular because of the agreed conversion price representing a high discount compared to the price of the Company's existing shares as they are currently traded at the date of this advice), the Transaction does not seem to be unreasonable and seems to be commensurate to the risks of investing in the Company and, in particular, the risks and opportunity costs of the Lenders to agree to the Convertible Loan Agreement).

After consideration, the Committee is therefore of the opinion that the expected benefits of the proposed contribution in kind, taking into account the context in which this obligation had arisen, are in balance with the expected risks and disadvantages thereof. Accordingly, the Committee is of the opinion that the Transaction is in the interest of the Company, and in any event is not manifestly unlawful.


In light of this, the Committee provides a favourable and approving advice to the board of directors of the Company.

* * *


Done on 19 April 2024.

[Signature page follows]

On behalf of the Committee,

By: 
Name: Pierre Chauvineau
Title: Independent Director

By: 
Name: Jackie Fielding
Title: Independent Director

By: 
Name: WIOT BV, represented by its
permanent representative Wim
Ottevaere
Title: Independent Director